

FISCAL NOTE

HB 517

April 1, 1997

SUMMARY OF BILL: Requires health insurers and managed care organizations to provide coverage for reconstructive breast surgery.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Other Fiscal Impact - Increase Expenditures/Health Insurance Industry - Exceeds \$100,000¹

According to the Bureau of TennCare, such surgery is not covered by current TennCare regulations and would not be eligible for federal funding.

Coverage of such treatment is estimated to result in higher capitation rates paid to managed care organizations in the TennCare program.

This bill would not directly impact the state employee health insurance plan and most local government health plans, since self-insured plans are exempted by federal law (ERISA).

¹The impact on the health insurance industry is included as required by Chapter 244 of the Public Acts of 1989.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director